UNITED STAT	ES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS	
ITV DIRECT, INC.,	
Plaintiff,))
v.)
HEALTHY SOLUTIONS, L.L.C., et al.,))
Defendants.))
CAPPSEALS, INC.,) Civil Action No. 04-CV-10421-JLT
Plaintiff-in-Intervention,))
v.)
HEALTHY SOLUTIONS, L.L.C., d/b/a DIRECT BUSINESS CONCEPTS; ITV DIRECT, INC.; and DIRECT FULFILLMENT, LLC,))))
Intervenor-Defendants.)

JOINT MOTION TO BIFURCATE

All of the respective parties, Cappseals, Inc.("Cappseals"), ITV Direct, Inc., Direct
Fulfillment, LLC (collectively, "ITV"), Healthy Solutions, Inc., Health Solutions, Inc., Michael
Howell, Alejandro Guerrero, and Gregory Geremesz hereby jointly move that the trial of this
matter, presently continued to a date uncertain, be scheduled on the next available date <u>after</u> this
Court determines whether, in light of the facts stipulated by the parties annexed hereto as

Exhibit A, Cappseals is entitled as a matter of law to a judgment against ITV. As further
grounds for their motion the parties state as follows:

- 1. This court has already issued a judgment against Healthy Solutions and in favor of Cappseals. (Docket No. 91).
- 2. The Court previously scheduled a non-jury trial to begin on May 31, 2005 on Cappseals' reach and apply claim against ITV.
- 3. The Court has continued the trial to an undetermined date in the future to accommodate the scheduling concerns raised by ITV regarding its lead counsel.
- 4. In anticipation of the May 31 trial date the parties agreed on various factual stipulations. As a result of the stipulations annexed hereto as **Exhibit A**, Cappseals believes it is entitled to judgment as a matter of law against ITV. Cappseals asserts ITV can not use a potential judgment it hopes to recover from Healthy Solutions as a set off against the indebtedness owed to Cappseals under the purchase orders because of ITV's acceptance and subsequent sale of the products at issue. ITV disputes this conclusion, continuing to maintain that its claims and defenses against Healthy Solutions may be used as a defense to or offset against amounts that may be owed to Cappseals.
- 5. The parties have agreed – and request that this court endorse – an expedited briefing schedule to determine this wholly legal issue. More specifically, the following deadlines are proposed:

Cappseals' Initial Brief June 3, 2005 ITV's Opposition June 13, 2005 Cappseals' Reply Brief June 17, 2005 ITV's Reply Brief June 21, 2005

- 6. A ruling in Cappseals' favor will likely end this litigation without the need for trial as ITV and Healthy Solutions have represented to the Court that, but for Cappseals objection, they have settled their respective claims against each other.
- 7. A ruling in ITV's favor will inherently reduce the legal and factual issues to be disputed in any future trial.

WHEREFORE, the parties respectfully request that the Court endorse their Proposed Order attached as **Exhibit B**, continuing the trial date of the present matter until the first available date after the briefing schedule detailed above and a ruling on Cappseals' motion.

> Respectfully submitted, CAPPSEALS, INC. By its attorneys,

/s/ Scott A. Silverman

Daniel J. Kelly BBO# 553926 dkelly@ghlaw.com Scott A. Silverman, BBO #638087 ssilverman@ghlaw.com Gadsby Hannah LLP 225 Franklin Street Boston, MA 02110 (617) 345-7000

- and -

HEALTHY SOLUTIONS, LLC, HEALTH SOLUTIONS, INC., ALEJANDRO GUERRERO, MICHAEL HOWELL, and GREGORY GEREMESZ By their attorney,

/s/ Becky V. Christensen

Becky v. Christensen, Esq. (State Bar No. 147013) 1920 Main Street, Suite 150 Irvine, California 92614 Telephone #: (949) 851-5000 Fax #: (949) 851-5051

- and -

ITV DIRECT, INC., and DIRECT FULFILLMENT LLC By their attorneys,

/s/ Peter S. Brooks

Peter S. Brooks, BBO #058980 Christopher F. Robertson, BBO #642094 Susan W. Gelwick, BBO #567115 Seyfarth Shaw LLP Two Seaport Lane, Suite 300 Boston, MA 02210-2028 Telephone: (617) 946-4800

Telephone: (617) 946-4800 Telecopier: (617) 946-4801

Dated: May 26, 2005

Certificate of service

I hereby certify that a true and accurate copy of the foregoing was served on the attorneys of record pursuant to Fed. R. Civ. P. 5 as follows:

Via electronic notification:

Peter S. Brooks <u>pbrooks@seyfarth.com</u>

Susan W. Gelwick seyfarth.com

Dustin F. Hecker <u>dhecker@pbl.com</u>

Christopher F. Robertson crobertson@seyfarth.com

Becky Christensen bvc@ocmiplaw.com

/s/ Scott A. Silverman

Daniel J. Kelly BBO# 553926

dkelly@ghlaw.com

Scott A. Silverman, BBO #638087

ssilverman@ghlaw.com Gadsby Hannah LLP 225 Franklin Street Boston, MA 02110

DATED: May 26, 2005 (617) 345-7000